Clean Version of Replacement Paragraphs, Claims and Abstract:

IN THE SPECIFICATION:

Page 1, Title:

A METHOD OF UPGRADING THIRD PARTY FUNCTIONALITY IN AN ELECTRONIC FRAUD MANAGEMENT SYSTEM

Page 1, first paragraph:

A1 Reference is made to Application Serial Number 09/475,948, entitled A METHOD AND SYSTEM FOR ELECTRONIC FRAUD/RISK MANAGEMENT, assigned to the assignee of this application and filed on even date herewith.

Page 2, line 2:

A2 cont Fraud is inherent in how credit cards are issued and handled. There is, for example, a significant threat to the issuer of a card from someone finding a lost credit card and using it to purchase gas in an automated gas station; and, telephone and mail orders may be made by criminals illegally possessing credit account information. In the same category, a fraudulent merchant may be operating fraudulently by selling merchandise on unequal consideration. On a larger scale, however, fraud rings are particularly active and include many players in their networks that defraud issuers of billions of dollars. Rogue employees and questionable merchants account for a significant part of skimming activity, which involves the illegal acquisition of account information in order to produce counterfeit cards or make fraudulent transactions. The sophistication of skimming is quite advanced in that criminals may wait up to eighteen to twenty (18-20) months after skimming a card before they use it. This category of fraud

which originates at the point of sale is expected to be a twenty-five billion dollar ($25,000,000,000) problem in 1999.

Page 4, first paragraph, line 5:

According to the invention, the object is achieved and the disadvantages of the prior art are overcome by a method for managing and assessing a set of risks relative to a financial product, wherein said method is accessed through a data processing system. The data processing system comprises a series of nodes operatively connected with each other. The method begins by performing an application processing procedure, comprising a check of the creditworthiness of one or more selected customers; and issuing a financial product to the selected customer if that customer is determined to be creditworthy; and, declining the application if the customer is determined to be not creditworthy.

Page 6, add:

FIG. 9 is a block diagram of the application screen that allows a system user to determine fraud loss ratios as a means for benchmarking risk management effectiveness; and **FIG. 10** is a flow chart describing the method utilized to perform this invention.

Page 28, before last paragraph, insert:

FIG. 10 is a flow chart describing the method utilized to perform this invention. After the program starts, the program goes to block 900. In block 900, the program performs an application procedure, comprising a check of the creditworthiness of one or more selected customers; and issuing a financial product to said customer if said

customer is determined to be creditworthy, thus resulting in an accepted customer, and declining said application if said customer is determined to be not creditworthy. Then the program goes to block 901 to assess a credit authorization request from a merchant or a system user, where said request is initiated by a user of said financial product. Now the program goes to block 902 to select a fraudi from a list comprising one or more fraudi and wherein said each one of said fraudi is representative of a defined area of risk. Then the program goes to block 903 to apply the selected fraudi to each one of said assessment steps. Then the program goes to block 904 to utilize a predictive modeling routine to perform said assessment. Now the program goes to block 905 to accept or decline said credit authorization request as based upon an outcome of said assessment. Then the program goes to block 906 to download said assessment result to said data processing system for transfer to a database accessible by one or more remote nodes of said system.

IN THE CLAIMS:

Please cancel claims 7 and 8 in their entirety.

1. A method of managing and assessing a set of risks relative to a financial product, said method being accessed through a data processing system, wherein said data processing system comprises a series of nodes operatively connected with each other, said method comprising the steps of:

(a) performing an application processing procedure on a customer, comprising a check of the creditworthiness of one or more selected customers; and issuing a financial product to one or more of said customers if said selected customer is determined to be creditworthy, thus resulting in an accepted customer, and declining said application if said customer is determined to be not creditworthy;